

2141256

Cygnnet Health Care plc  
Directors' Report and Financial Statements  
for the year ended 31 October 1994



**Cygnnet Health Care plc**

**Company Information**

<b>Directors</b>	K.A.R. Wilson - Chairman J.C. Hughes - Chief executive J.B. Randle - Non executive R. Holmes - Non executive
<b>Secretary</b>	R.C. Dinham
<b>Company Number</b>	2141256
<b>Registered Office</b>	Godden Green Clinic Godden Green Sevenoaks Kent TN15 0JR
<b>Auditors</b>	Noel & Co. Chartered Accountants and Registered Auditors 4 Parliament Close Prestwood Great Missenden Buckinghamshire HP16 9DT
<b>Bankers</b>	Midland Bank plc 70 Pall Mall London SW1Y 5EZ  3i plc 91 Waterloo Road London SE1 8XP
<b>Solicitors</b>	Pollecoff Rangeley 125/135 City Road London EC1V 1JB

Cygnnet Health Care plc

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**Cygnnet Health Care plc**  
**Chairman's Statement**  
**for the year ended 31 October 1994**

**Corporate Goals**

Our benchmark remains the seeking of continuous improvement in the quality of care delivered to our patients whilst also maximising growth and returns for our shareholders. The company is currently focused on acute psychiatric care and elderly care and the intention is to broaden the menu of services within these areas, identifying niche activities which capitalise on existing management skills and unit locations.

**Trading Performance**

1993/94 has proved to be an unsatisfactory year with reduced performance from both of the company's acute psychiatric and elderly care activities. The results for the year ended 31 October 1994 show a profit before taxation of £153,000 as compared with £423,000 in the previous year. However, long term loans of £750,500 were repaid during the year and the sale, after the year end, of surplus property for some £862,000 has reduced gearing from 224% to 134%.

Whilst the financial performance was less than satisfactory, the company has ended the year better positioned to perform in the sectors in which it operates.

**Property Review**

During the year two non income producing cottages at Tabley were sold, realising £173,000 including a profit over book value of £70,000. Subsequent to the year end, in March 1995, the remainder of the non income producing property at Tabley was disposed of, realising £862,000 including a profit of £700,000 over book value.

**Psychiatric Care Review**

The company's traditional private acute psychiatric market, which expanded without interruption between 1980 and 1992, declined in 1993/94 with an approximately 10% reduction in the number of private acute psychiatric admissions as compared with the previous year.

In the meantime, revenue derived from the NHS grew by in excess of 300% as good working relationships were built with a high proportion of the NHS purchasers and providers in areas surrounding our hospitals. In the initial stages, the margins on this new business were extremely low due to additional costs in meeting the special needs of these patients. These costs have now been reflected in revised price schedules. The rapid development of this NHS business stream has been the principal tangible achievement of 1993/94.

Cygnnet Health Care plc

Chairman's Statement (Continued)  
for the year ended 31 October 1994

**Elderly Care Review**

The continuing impact of the new Community Care Act saw a reduction in the number of new admissions at our nursing homes with a consequent 8% reduction in occupancy. Additional focus is now being applied to increase outreach activity and market awareness to reverse this decline and management changes have been made to facilitate this.

**Employees**

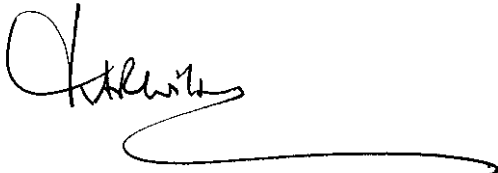
Each year sees quantum change in the market places in which we operate and our ability to assimilate these changes and capitalise on opportunities is entirely attributable to the skills, commitment and loyalty of our staff. Undoubtedly, our greatest asset is this dedicated cohort. Continuing the development of their skills and providing career advancement opportunities is a priority. On behalf of the Cygnnet Board, I would like to thank each member of staff for their loyalty, dedication and enthusiasm.

**Prospects**

With the substantial reduction in borrowing following the sale of the Tabley stable block and a range of opportunities under investigation and development, the prognosis for the forthcoming year is most encouraging. Additionally, the investment in developing acute psychiatric services for the NHS is already bearing fruit and can be expected to mature further whilst the improving economy can be expected to enhance private psychiatry.

K.A.R. Wilson

Chairman

A handwritten signature in black ink, appearing to read 'K.A.R. Wilson', with a long horizontal flourish extending to the right.

**Cygnnet Health Care plc**

**Directors' Report  
for the year ended 31 October 1994**

The directors present their report and the financial statements for the year ended 31 October 1994.

**Principal Activities and Review of the Business**

The principal activity of the company is acquiring, developing and operating psychiatric and elderly health care facilities.

The bed capacity of the company's facilities provides for 164 short stay psychiatric patients and 93 long stay elderly care, as follows:

<u>Acute psychiatric units</u>	<u>Bed capacity</u>
Godden Green Clinic, Sevenoaks, Kent	54
Harrogate Clinic, Harrogate, North Yorkshire	34
Lindisfarne Suite, Nuffield Hospital, Newcastle upon Tyne	13
Stamford Wing, Royal Masonic Hospital, London	24
Bowden House, Harrow on the Hill (joint venture)	39
	---
	164
	---
<u>Elderly care</u>	
Tabley House, Knutsford, Cheshire	54
Tupwood Gate Nursing Home, Caterham, Surrey	39
	---
	93
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**Results and Dividends**

The results for the year are set out on page 7.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £152,592 is transferred to reserves.

**Fixed Assets**

Details of movements in fixed assets during the year are set out in note 7 to the financial statements.

Cygnnet Health Care plc

Directors' Report (Continued)  
for the year ended 31 October 1994

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1994	1993
J.C. Hughes	New ordinary shares	1,000	1,000
	'A' ordinary shares	616,325	700,325
	New preference shares	200,000	200,000
	New deferred shares	570,325	570,325
K.A.R. Wilson	'A' ordinary shares	186,500	-
	New deferred shares	67,500	-
J.B. Randle		-	-
R. Holmes		-	-

At 31st October 1994 immediate relatives of Mr J.C. Hughes held 506,200 shares (1993:421,200), comprising 352,300 'A' ordinary (1993:267,300) and 153,900 new deferred shares (1993:153,900). Mr K.A.R. Wilson holds options over 100 new ordinary shares (1993:100)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Noel & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 8 May 1995

R.C. Dinham  
Secretary

*R. Dinham*

**Cygnnet Health Care plc**

**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Cygnet Health Care plc  
Auditors' Report  
to the shareholders of Cygnet Health Care plc

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 12.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

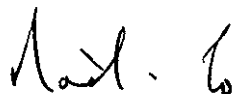
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Noel & Co.

8 May 1995

Chartered Accountants  
Registered Auditors

4 Parliament Close  
Prestwood  
Great Missenden  
Buckinghamshire HP16 9DT

Cygnet Health Care plc  
Profit and Loss Account  
for the year ended 31 October 1994

	Notes	1994 £	1993 £
Turnover	2	5,131,964	4,994,166
Operating costs		<u>(4,475,593)</u>	<u>(4,033,736)</u>
Operating profit	3	656,371	960,430
Other interest receivable and similar income	4	3,411	4,845
Interest payable and similar charges	5	<u>(505,979)</u>	<u>(541,790)</u>
Profit on ordinary activities before taxation		153,803	423,485
Tax on profit on ordinary activities	6	<u>(1,211)</u>	<u>-</u>
Profit for the year	15	<u>£ 152,592</u>	<u>£ 423,485</u>

Cygnet Health Care plc

Statement of Total Recognised Gains and Losses  
for the year ended 31 October 1994

	1994 £	1993 £
Profit for the financial year	152,592	423,485
Unrealised on revaluation of properties	—	898,619
	<u>          </u>	<u>          </u>
Total recognised gains and losses relating to the year	<u>£ 152,592</u>	<u>£1,322,104</u>

Note of historical cost profits and losses

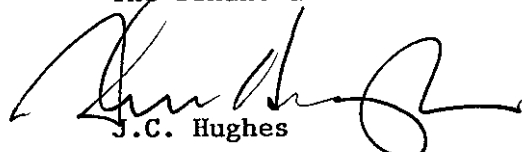
	1994 £	1993 £
Reported profit on ordinary activities before taxation	153,803	423,485
Realisation of property revaluation gains of previous years	34,655	69,309
	<u>          </u>	<u>          </u>
Historical cost profit on ordinary activities before taxation	<u>£ 188,458</u>	<u>£ 492,794</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>£ 187,247</u>	<u>£ 492,794</u>

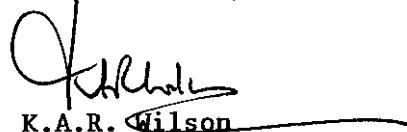
Cygnnet Health Care plc

Balance Sheet  
as at 31 October 1994

	Notes	£	1994 £	£	1993 £
<b>Fixed Assets</b>					
Tangible assets	7		7,898,348		8,104,207
<b>Current Assets</b>					
Stocks	8	8,226		7,443	
Debtors	9	648,429		592,224	
Cash at bank and in hand		2,026		172,756	
			<u>658,681</u>	<u>772,423</u>	
<b>Creditors: amounts falling due within one year</b>	10	(1,762,508)		(1,484,201)	
<b>Net Current Liabilities</b>			<u>(1,103,827)</u>	<u>(711,778)</u>	
<b>Total Assets Less Current Liabilities</b>			6,794,521		7,392,429
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(4,360,317)</u>	<u>(5,110,817)</u>	
			<u>£ 2,434,204</u>	<u>£2,281,612</u>	
<b>Capital and Reserves</b>					
Called up share capital	13		6,202,611		6,202,611
Share premium account			146,933		146,933
Revaluation reserve	14		1,280,740		1,315,395
Profit and loss account	15		(5,196,080)		(5,383,327)
<b>Shareholders' Funds</b>	16		<u>£ 2,434,204</u>	<u>£2,281,612</u>	

The financial statements were approved by the Board on 8 May 1995.

  
J.C. Hughes  
Director

  
K.A.R. Wilson  
Director

Cygnet Health Care plc  
Cash Flow Statement  
for the year ended 31 October 1994

	1994	1993
	£	£
Net cash flow from operating activities	803,616	984,347
Returns on investments and servicing of finance		
Interest received	3,411	4,845
Interest paid	<u>(568,828)</u>	<u>(525,009)</u>
Net cash flow from returns on investments and servicing of finance	(565,417)	(520,164)
Corporation tax paid (including advance corporation tax)	<u>(1,211)</u>	-
Tax paid	(1,211)	-
Investing activities		
Payments to acquire tangible assets	(46,222)	(59,686)
Receipts from sales of tangible assets	<u>173,128</u>	<u>266,431</u>
Net cash flow from investing activities	126,906	206,745
Net cash flow before financing	363,894	670,928
Financing		
Repayment of long term bank loan	<u>(750,500)</u>	<u>(581,378)</u>
Net cash flow from financing	(750,500)	(581,378)
Increase in cash and cash equivalents	<u>£(386,606)</u>	<u>£ 89,550</u>

Cygnnet Health Care plc

Notes to the Cash Flow Statement  
for the year ended 31 October 1994

1	Reconciliation of operating profit to net cash flow from operating activities	1994 £	1993 £	
	Operating profit	656,371	960,430	
	Depreciation of tangible assets	149,126	155,058	
	Profit on disposal of tangible assets	(70,173)	(68,694)	
	Increase in stocks	(783)	871	
	Increase in debtors	(56,205)	(223,507)	
	Increase in creditors due within one year	125,280	160,189	
	Net cash flow from operating activities	<u>£ 803,616</u>	<u>£ 984,347</u>	
2	Analysis of changes in cash and cash equivalents during the year	1994 £	1993 £	
	Balance at 1 November 1993	172,756	83,206	
	Net cash flow	(386,606)	89,550	
	Balance at 31 October 1994	<u>£ (213,850)</u>	<u>£ 172,756</u>	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1994 £	1993 £	Change in year £
	Cash at bank and in hand	2,026	172,756	(170,730)
	Bank overdrafts	(215,876)	-	(215,876)
		<u>£(213,850)</u>	<u>£172,756</u>	<u>£(386,606)</u>
4	Analysis of changes in financing during the year		Share capital £	Loans and finance lease obligations £
	Balance at 1 November 1993		6,349,544	5,743,317
	Cash flow from financing		-	(750,500)
	Balance at 31 October 1994		<u>£6,349,544</u>	<u>£4,992,817</u>

**Cygnnet Health Care plc**

**Notes to the Financial Statements  
for the year ended 31 October 1994**

**1. Accounting Policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

**1.2 Compliance with accounting standards**

The company has complied with applicable accounting standards.

**1.3 Turnover**

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts and the share of profits from the joint venture at St. Andrew's at Harrow, Bowden House.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	5 - 10 years
Motor vehicles	-	5 years

No depreciation is provided in respect of freehold or long leasehold land or buildings as it is the company's policy to maintain these so as to extend their useful lives.

**1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.6 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.7 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

**1.8 Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

	1994 £	1993 £
Operating profit is stated after charging:		
Depreciation of tangible assets	149,126	155,058
Hire of plant and machinery	3,913	3,715
Operating lease rentals		
- Land and buildings	5,000	5,000
Auditors' remuneration	12,000	12,000
Remuneration of auditors for non-audit work	1,700	6,200
	<u>149,126</u>	<u>155,058</u>

4. Other Interest Receivable and Similar Income

	1994 £	1993 £
Bank interest received	3,411	4,470
Other interest received	-	375
	<u>3,411</u>	<u>4,845</u>
	£ 3,411	£ 4,845

5. Interest Payable

	1994 £	1993 £
On bank loans and overdrafts	18,120	7,427
On loans repayable after 5 years	486,273	533,021
On overdue tax	73	134
Other	1,513	1,208
	<u>505,979</u>	<u>541,790</u>
	£ 505,979	£ 541,790



Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

6. Taxation	1994 £	1993 £
Prior years		
U.K. Corporation tax	1,211	-
	<u>£ 1,211</u>	<u>£ -</u>

The company had carry forward losses of £3,250,000 (1993 - £3,500,000) at the balance sheet date.

The company has a potential corporation tax liability of £41,250 (1993: £27,250) at a rate of 25% on capital gains. No provision has been made as the company is seeking to roll over these gains into the acquisition of relevant new assets.

7. Tangible Assets

	Land and buildings Freehold £	Land and buildings Leasehold (short) £	Land and buildings Leasehold (long) £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 November 1993	5,255,604	301,947	1,916,041	1,148,683	106,933	8,729,208
Additions	5,679	-	5,943	34,600	-	46,222
Disposals	-	-	(95,086)	(6,360)	(36,612)	(138,058)
At 31 October 1994	<u>5,261,283</u>	<u>301,947</u>	<u>1,826,898</u>	<u>1,176,923</u>	<u>70,321</u>	<u>8,637,372</u>
<b>Depreciation</b>						
At 1 November 1993	-	55,077	-	477,696	92,228	625,001
On disposals	-	-	-	(2,445)	(32,658)	(35,103)
Charge for year	-	16,496	-	123,350	9,280	149,126
At 31 October 1994	<u>-</u>	<u>71,573</u>	<u>-</u>	<u>598,601</u>	<u>68,850</u>	<u>739,024</u>
<b>Net book values</b>						
At 31 October 1994	<u>5,261,283</u>	<u>230,374</u>	<u>1,826,898</u>	<u>578,322</u>	<u>1,471</u>	<u>7,898,348</u>
At 31 October 1993	<u>5,255,604</u>	<u>246,870</u>	<u>1,916,041</u>	<u>670,987</u>	<u>14,705</u>	<u>8,104,207</u>

Freehold properties were revalued on 8th March 1994 on the basis of an open market valuation for existing use by Erdman Lewis, International Property Consultants.

Cygnet Health Care plc  
Notes to the Financial Statements  
for the year ended 31 October 1994

8.	Stocks	1994 £	1993 £
	Finished goods and goods for resale	<u>8,226</u>	<u>7,443</u>
9.	Debtors	1994 £	1993 £
	Trade debtors	615,597	545,071
	Other debtors	66	1,101
	Prepayments and accrued income	<u>32,766</u>	<u>46,052</u>
		<u>£ 648,429</u>	<u>£ 592,224</u>
10.	Creditors: amounts falling due within one year	1994 £	1993 £
	Bank loans and overdrafts	848,376	632,500
	Trade creditors	239,745	237,674
	Taxes and social security costs	78,387	73,898
	Other creditors	265,790	133,456
	Accruals and deferred income	<u>330,210</u>	<u>406,673</u>
		<u>£1,762,508</u>	<u>£1,484,201</u>

Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

11. Creditors: amounts falling due after more than one year	1994 £	1993 £
Loans	<u>4,360,317</u>	<u>5,110,817</u>
 Loans		
Not wholly repayable within five years by instalments		
Variable rate secured loan notes 1991-2002	3,122,817	3,653,317
Term loan	1,870,000	2,090,000
	<u>4,992,817</u>	<u>5,743,317</u>
Included in current liabilities	<u>(632,500)</u>	<u>(632,500)</u>
	<u>£4,360,317</u>	<u>£5,110,817</u>
 Instalments not due within five years	<u>£2,095,750</u>	<u>£2,846,250</u>

The loan notes and the term loan are secured by fixed charges on the company's tangible fixed assets and by floating charges on all assets of the company.

The loan notes and the term loan are repayable by equal six monthly instalments from June 1993 to December 2002. Interest is payable on each loan at 3% above LIBOR.

12. Pension Costs

Pension costs represent contributions to a money purchase scheme for all eligible employees.

Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

13. Share Capital	1994 £	1993 £
<b>Authorised</b>		
9,000 New ordinary shares of 1p each	90	90
30,562,500 'A' ordinary shares of 50p each	15,281,250	15,281,250
800,000 New preference shares of £1 each	800,000	800,000
25,000,000 New deferred shares of 50p each	12,500,000	12,500,000
	<u>£ 28,581,340</u>	<u>£ 28,581,340</u>
<b>Allotted, called up and fully paid</b>		
8,600 New ordinary shares of 1p each	86	86
8,152,526 'A' ordinary shares of 50p each	4,076,263	4,076,263
800,000 New preference shares of £1 each	800,000	800,000
2,652,524 New deferred shares of 50p each	1,326,262	1,326,262
	<u>£ 6,202,611</u>	<u>£ 6,202,611</u>

The company has authority to issue warrants and options over 400 new ordinary shares, exercisable at £200 per share. Warrants and options have been issued over 397 new ordinary shares. The 210 warrants are exercisable between 30 September 1994 and 18 November 2001 and the 137 options, which have been issued under an approved Inland Revenue share option scheme, are exercisable between 30 September 1994 and 30 September 2001.

The new ordinary shares rank pari passu with the 'A' ordinary shares except that as a class they represent 89.5833% of the voting, income and capital rights applicable to the holders of all ordinary shares.

The 'A' ordinary shares represent in total 10.4167% of the voting, income and capital rights of the ordinary share capital.

The new preference shares are redeemable at par by 31st December 2002.

The new deferred shares have no rights to dividends or to voting and only minimal rights in the event of a winding up.

14. Revaluation Reserve	1994 £	1993 £
Balance brought forward at 1 November 1993	1,315,395	486,085
Revaluation during the year	-	898,619
Transfer of realised profits	(34,655)	(69,309)
Balance carried forward at 31 October 1994	<u>£1,280,740</u>	<u>£1,315,395</u>

Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

15. Profit And Loss Account	1994 £	1993 £
Accumulated losses at 1 November 1993	(5,383,327)	(5,876,121)
Retained profit for the year	152,592	423,485
Transfer from revaluation reserve	34,655	69,309
Accumulated losses at 31 October 1994	<u>£(5,196,080)</u>	<u>£(5,383,327)</u>

16. Reconciliation of Movements in Shareholders' Funds	1994 £	1993 £
Profit for the financial year	152,592	423,485
Other recognised gains and losses	-	898,619
Net addition to shareholders' funds	<u>152,592</u>	<u>1,322,104</u>
Opening shareholders' funds	2,281,612	959,508
Closing shareholders' funds	<u>£2,434,204</u>	<u>£2,281,612</u>

17. Financial Commitments

At 31 October 1994 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 1994 £	1993 £
Expiry date:		
In over five years	5,000	5,000
	<u>£ 5,000</u>	<u>£ 5,000</u>

Cygnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

18. Directors' Emoluments	1994 £	1993 £
Remuneration	<u>153,600</u>	<u>198,123</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	<u>£ 31,519</u>	<u>£ 55,532</u>
The highest-paid director	<u>£ 94,106</u>	<u>£ 126,071</u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£Nil - £5,000	-	1
£5,001 - £10,000	<u>2</u>	<u>1</u>
19. Employees		
Number of employees		
The average weekly number of employees (including directors) during the year was:	1994 Number	1993 Number
Full time	138	139
Part time	<u>97</u>	<u>86</u>
	<u>235</u>	<u>225</u>
Employment costs	£	£
Wages and salaries	2,768,301	2,574,670
Social security costs	245,678	238,110
Other pension costs	<u>29,806</u>	<u>17,743</u>
	<u>£3,043,785</u>	<u>£2,830,523</u>

Cygnnet Health Care plc

Notes to the Financial Statements  
for the year ended 31 October 1994

20. Post Balance Sheet Events

Since the year end the company has sold non income producing property at Tabley for £862,000. Profits realised on this sale amount to £700,000 and related taxation will amount to £245,000, subject to relief for hold over through the investment of these proceeds in new facilities.